

V I R G I N I A:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	ASHLAND EXPLORATION, INC.)	
	A Delaware Corporation)	VIRGINIA GAS
)	AND OIL BOARD
RELIEF SOUGHT:	POOLING OF INTERESTS)	
	IN DRILLING UNIT XXX-34)	DOCKET NO.
	OF THE OAKWOOD COALBED)	93-0921-0405
	GAS FIELD PURSUANT TO)	
	SECTION 45.1-361.22,)	
	(CODE OF VIRGINIA, 1950 AS)	
	AMENDED) FOR THE PRODUCTION)	
	OF COALBED METHANE GAS)	
	(herein "Gas"))	
LEGAL DESCRIPTION:)	
	DRILLING UNIT XXX-34 (Hereafter)	
	"Subject Drilling Unit") IN THE OAKWOOD)	
	COALBED GAS FIELD, as extended)	
	PATTERSON QUADRANGLE,)	
	NORTH GRUNDY MAGISTERIAL DISTRICT)	
	BUCHANAN COUNTY, VIRGINIA)	
	(the "Subject Lands" are more)	
	particularly described on Exhibit)	
	"A", attached hereto and made a)	
	part hereof))	

REPORT OF THE BOARDFINDINGS AND ORDER

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on September 21, 1993, Dickenson Conference Room, Southwest Virginia Education 4-H Center, Abingdon, Virginia.
2. Appearances: J. Grant McGuire of Campbell, Woods, Bagley, Emerson, McNeer and Herndon appeared for the Applicant; Sandra B. Riggs, Assistant Attorney General, was present to advise the Board.
3. Jurisdiction and Notice: Pursuant to Sections 45.1-361.1 et seq., Virginia Code, 1950 as amended, the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonable available sources to determine the identity and whereabouts of potential owners, i.e., persons identified by Applicant as having or claiming the rights to coalbed methane gas in all coal seams below the Tiller seam, and all splits, including, but not limited to the Upper Seaboard, Greasy Creek, Middle Seaboard, Lower Seaboard, Upper Horsepen, Middle Horsepen, Warcreek, Lower Horsepen, Pocahontas No. 9, Pocahontas No. 8, Pocahontas No. 7, Pocahontas No. 6, Pocahontas No. 5, Pocahontas No. 4, Pocahontas No. 3, Pocahontas No. 2 and Pocahontas No. 1 coal seams and other associated formations known as the Oakwood Coalbed Gas Field (hereafter "Subject Formations") in Subject Drilling Unit underlying and comprised of Subject Lands, and (2) has given notice to all parties so identified (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by §§ 45.1-361.19 and 45.1-361.22, Virginia Code, 1950 as amended, to notice of

this application, and (3) that the persons set forth in Exhibits A-3 and B hereto are persons identified by Applicant who may be claimants of coalbed methane gas interests in Subject Formations, in Subject Drilling Unit underlying and comprised of Subject Lands. Further, the Board has caused notice of this hearing to be published as required by § 45.1-361.19.B, Virginia Code, 1050 as amended. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state and federal due process.

4. Amendments: Updated Detailed Well Estimate (DWE) to be filed no later than September 28, 1993; Exhibit D, Escrow Recommendation to reflect the Special Findings set forth in Paragraph 17.8 hereof.

5. Dismissals: None.

6. Relief Requested: Applicant requests (1) that pursuant to §§ 45.1-361.22, including the applicable portions of § 45.1-361.21, Code of Virginia, 1950 as amended, the Board pool the rights, interests and estates in Subject Drilling Unit, including those of the known and unknown persons named herein and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling and operation, including production, of Coalbed Methane Gas produced from the Subject Drilling Unit established for the Subject Formations underlying and comprised of the Subject Lands, (hereafter sometimes collectively identified and referred to as "well development and/or operation in the Subject Drilling Unit"), and (2) that the Board designate Ashland Exploration, Inc. as Unit Operator.

7. Relief Granted: The requested relief in this cause be and hereby is granted and: (1) Pursuant to Sections 45.1-361.21.C.3, Code of Virginia, 1950 as amended, Ashland Exploration, Inc. (hereafter "Unit Operator") is designated as the Unit Operator authorized to drill and operate any well in the Subject Drilling Unit, subject to the permit provisions contained in Section 45.1-361.27 et seq., Code of Virginia, 1950 as amended, and to the Board's Order establishing Drilling Units for the Oakwood Coalbed Gas Field Order OGCB 3-90, dated May 18, 1990, as amended by VGOB 93-0216-0325 and VGOB 93-0316-0348 to § 480-05-22.1 et seq., Gas and Oil Regulations and to § 480-05-22.2 et seq., Virginia Gas and Oil Board Regulations, all as amended from time to time, and (2) all the interests and estates in Subject Drilling Unit, including those of the known and unknown persons listed on Exhibits "A-3" and "B", attached hereto and made a part hereof, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, be and hereby are pooled in the Subject Formations in the Subject Drilling Unit underlying and comprised of the Subject Lands.

<u>Subject Formations</u>	<u>Unit Size</u>	<u>Permitted Well Location</u>	<u>Field and Well Classification</u>	<u>Order Number</u>
All coal seams below the Tiller seam, and all splits, including, but not limited to the Upper Seaboard, Greasy Creek, Middle Seaboard, Lower Seaboard, Upper Horsepen, Middle Horsepen, Warcreek, Lower Horsepen, Pocahontas	Approximately 80.00-acre drilling unit	One well at location depicted on Exhibit A	Oakwood Coalbed Gas Field and coalbed methane (CBM) gas well	Oakwood Coalbed Gas Field Order 3-90 dated May 18, 1990, as amended by VGOB 93-0216-0325 and VGOB 93-0316-

No. 9, Pocahontas
 No. 8, Pocahontas
 No. 7, Pocahontas
 No. 6, Pocahontas
 No. 5, Pocahontas
 No. 4, Pocahontas
 No. 3, Pocahontas
 No. 2, and Pocahontas
 No. 1 coal seams and
 other associated
 formations known
 as the Oakwood
 Coalbed Gas Field

For the Subject Drilling Unit
 underlying and comprised of the Subject
 Land referred to as:

Unit XXX-34
 Buchanan County, Virginia

8. Election and Election Period: In the event any person named in Exhibit B has not reached a voluntary agreement to share in the operation of the well to be located in Subject Drilling Unit at a rate of payment mutually agreed to by said gas or oil owner and the Operator, then such person may elect one of the options set forth in Paragraph 9 below and must give written notice of his election of the option selected under Paragraph 9 herein to the designated Unit Operator at the address shown below within thirty (30) days from the date this Order is recorded in the county above named. A timely election shall be deemed to have been made if, on or before the last day of said 30-day period, such electing person has delivered his written election to the designated Unit Operator at the address shown below or has duly postmarked and placed its written election in first class United States mail, postage prepaid, addressed to the Unit Operator at the address shown below.

9. Election Options:

9.1 Option 1 - To Participate In The Development and Operation of the Drilling Unit: Any gas or oil owner named in Exhibit B who has not reached a voluntary agreement with the Operator may elect to participate in the development and operation of the Subject Drilling Unit (hereafter "Participating Operator") by agreeing to pay such Participating Operator's proportionate part of the actual and reasonable costs, including a reasonable supervision fee, of the well development and operation in the Subject Drilling Unit, as more particularly set forth in Virginia Gas and Oil Board Regulation VR 480-05-22.2, Section 10 ("Completed for Production Costs"). Further, a Participating Operator agrees to pay such Participating Operator's proportionate part of the Estimated, Completed-for-Production Costs set forth below to the Unit Operator within forty-five (45) days from the later of the date of mailing or the date of recording of this Order. The Estimated, Completed-for-Production Costs for the Subject Drilling Unit are as follows:

Estimated, Completed-for-Production Costs - \$215,000.00

A Participating Operator's proportionate cost hereunder shall be that proportion of said costs which the number of net mineral acres in the Subject Drilling Unit owned or claimed by such Participating Operator bears to the total number of mineral acres in Subject Drilling Unit. Provided, however, that in the event a Participating

Operator elects to participate and fails or refuses to pay his proportionate part of the Estimated, Completed-for-Production Costs as set forth above, all within the time set forth herein and in the manner prescribed in Paragraph 8 of this Order, then such Participating Operator shall be deemed to have elected not to participate and to have elected compensation in lieu of participation pursuant to Paragraph 9.2 herein.

Upon completion of the well and prior to production from same, the Operator shall file with the Board a revised exhibit reflecting the actual Completed-for-Production Costs for the Subject Drilling Unit.

- 9.2 Option 2 - To Receive A Cash Bonus Consideration: In lieu of participating in the development and operation of Subject Drilling Unit under Paragraph 9.1 above, any gas or oil owner named in Exhibit B who has not reached a voluntary agreement with the Operator may elect to accept a cash bonus consideration of \$5.00 per net mineral acre owned by such person, commencing upon entry of this Order and continuing annually until commencement of production from Subject Drilling Unit, together with a royalty of 1/8th of 8/8ths [twelve and one-half percent (12.5%)] of the net proceeds received by the Unit Operator for the sale of the Coalbed Methane Gas and gas condensate produced from any well development covered by this Order multiplied by the electing person's percentage as set forth in Exhibit B (for purposes of this Order, net proceeds shall be actual proceeds received less all post-production costs incurred downstream of the wellhead, including, but not limited to, all gathering, compression, treating, transportation and marketing costs, whether performed by Unit Operator or a third person) as fair, reasonable and equitable compensation to be paid to said gas or oil owner. The initial cash bonus shall become due and owing when so elected and shall be tendered, paid or escrowed within sixty (60) days of recording of this Order. Thereafter, annual cash bonuses, if any, shall become due and owing on each anniversary of the date of recording of this order in the event production from Subject Drilling Unit has not theretofore commenced, and once due, shall be tendered, paid or escrowed within sixty (60) days of said anniversary date. Once the initial cash bonus and the annual cash bonuses, if any, are so paid or escrowed, said payment(s) shall be satisfaction in full for all right, interests and claims of such electing gas or oil owner to the Gas produced from Subject Formation in the Subject Lands, except, however, for the 1/8th royalties due hereunder.

The election made under this Paragraph 9.2, when so made, shall be satisfaction in full for all right, interests and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to and hereby does lease and assign all its right, interests and claims to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator.

- 9.3. Option 3 - To Share In The Development And Operation As A Non-Participating Person On A Carried Basis And To Receive Consideration In Lieu Of Cash: In lieu of participating in the development and operation of Subject Drilling Unit under Paragraph 9.1 above and in lieu of receiving the Cash Bonus Consideration under Paragraph 9.2 above, any gas or oil owner named in Exhibit B who has not reached a voluntary agreement with the Operator in Subject Drilling Unit may elect to share in the development and operation of Subject Drilling Unit on a carried basis (as a "Carried Well Operator") so that the proportionate part of the Completed-for-Production Costs hereby

allocable to such Carried Well Operator's interest is charged against such Carried Well Operator's share of production from Subject Drilling Unit. All of such Carried Well Operator's rights, interests and claims to the Gas in Subject Drilling Unit shall be deemed and hereby are assigned to the Unit Operator until the proceeds from the sale of such Carried Well Operator's share of production from Subject Drilling Unit (exclusive of any royalty, excess or overriding royalty, or other non-operating or non cost-bearing burden reserved in any lease, assignment thereof or agreement relating thereto covering such interest) equals three hundred percent (300%) for a leased interest or two hundred percent (200%) for an unleased interest (whichever is applicable) of such Carried Well Operator's share of the Completed-for-Production Costs allocable to the interest of such Carried Well Operator. When the Unit Operator recoups and recovers from such Carried Well Operator's assigned interest the amounts provided for above, then, the assigned interest of such Carried Well Operator shall automatically revert back to such Carried Well Operator, and from and after such reversion, such Carried Well Operator shall be treated as if it had participated initially under Paragraph 9.1 above; and thereafter, such participating person shall be charged with and shall pay his proportionate part of all further costs of such well development.

The election made under this Paragraph 9.3, when so made, shall be satisfaction in full for all right, interests and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to have and hereby does assign all its right, interests and claims in the Gas produced from Subject Formations in the Subject Drilling Unit to the Unit Operator for the period of time during which its interest is carried as above provided prior to its reversion back to such electing person.

10. Failure to Properly Elect: In the event a person named in Exhibit B who has not leased to the Operator or voluntarily agreed to pool their interests fails to elect within the time, in the manner and in accordance with the terms of this Order, one of the alternatives set forth in Paragraph 9 above, then such person shall be deemed to have elected not to participate in the proposed development and operation of Subject Drilling Unit and shall be deemed, subject to a final legal determination or ownership, to have elected to accept as satisfaction in full for all such person's right, interests and claims to the Gas produced from Subject Formation in Subject Drilling Unit, the consideration provided in Paragraph 9.2 above for which its interest qualifies and shall be deemed to have leased and/or assigned all his right, interests and claims to said Gas to the Unit Operator. Persons who fail to properly elect shall be deemed, subject to a final legal determination of ownership, to have accepted the compensation and terms set forth herein at Paragraph 9.2 in satisfaction in full for all right, interests and claims of such person to the Gas produced from in the Subject Lands.

11. Default By Participating Person: In the event a person named in Exhibit B who has not heretofore leased to the Operator and/or voluntarily agreed to pool their interests elects to participate under Paragraph 9.1, but fails or refuses to pay, to secure the payment or to make an arrangement with the Unit Operator for the payment of such person's proportionate part of the Estimated Completed-for-Production costs as set forth herein, all within the time and in the manner as prescribed in this Order, then such person shall be deemed to have withdrawn his election to participate and shall be deemed to have elected to accept as satisfaction in full for such person's right, interests and claims the consideration provided in Paragraph 9.2 above for which his interest qualifies depending on the excess burdens attached to such interest. Whereupon, any cash bonus consideration due as a result of such deemed election shall be tendered, paid or escrowed by Unit Operator within sixty (60) days after the last day on

which such defaulting person under this Order should have paid his proportionate part of such cost or should have made satisfactory arrangements for the payment thereof. When such cash bonus consideration is paid or escrowed, it shall be satisfaction in full for all right, interests and claims of such person to the Gas produced from the Subject Formation underlying the Subject Lands covered hereby, except, however, for any 1/8 royalties which would become due pursuant to Paragraph 9.2 hereof.

12. Assignment of Interest: In the event a person named in Exhibit B who fails to reach a voluntary agreement with the Operator elects or fails to elect to do other than participate under Paragraph 9.1 above in the development and operation of the well in Subject Formations in Subject Drilling Unit, then such person shall be deemed to have and shall have assigned unto Unit Operator such person's right, interests and claims in and to said well, in Subject Formations in Subject Drilling Unit, and other share in production to which such person may be entitled by reason of any election or deemed election hereunder in accordance with the provisions of this Order governing said election.

13. Unit Operator (or Operator): The Applicant, Equitable Resources Exploration, be and hereby is designated as Unit Operator authorized to drill and operate the well in Subject Formations in Subject Drilling Unit, all subject to the permit provisions contained in Section 45.1-361.27 et seq., Code of Virginia, 1950 as amended, §§ 480-05-22.1 et seq., Gas and Oil Regulations and §§ 480-05-22.2 et seq., Virginia Gas and Oil Board Regulations, and the Virginia Oil and Gas Conservation Board's Order 3-90 for the Oakwood Coalbed Gas Field I dated May 18, 1990, all as amended from time to time, and all elections required by this Order shall be communicated to Unit Operator in writing at the address shown below:

Ashland Exploration, Inc.
P. O. Box 391
Ashland, KY 41114
Phone: (606) 329-3333
Fax: (606) 329-5830
Attn: Land Department

14. Commencement of Operations: Unit Operator shall commence or cause to commence operations for the drilling of any well covered hereby within three hundred and sixty-five (365) days from the date of this Order and shall prosecute the same with due diligence. If Unit Operator shall not have so commenced and/or prosecuted, then this Order shall terminate, except for any cash sums becoming payable hereunder; otherwise, this Order shall expire at 12:00 P.M. on the date on which any well covered by this Order is permanently abandoned and plugged unless sooner terminated by Order of the Board. However, in the event an appeal is taken from this Order, then the time between the filing of the Petition for Appeal and the final Order of the Circuit Court shall be excluded in calculating the one year period referenced to herein.

15. Operator's Lien: Unit Operator, in addition to the other rights afforded hereunder, shall have a lien and a right of set off on the Gas rights and interests owned by any person subject hereto who elects to participate under Paragraph 9.1 in the Subject Drilling Unit to the extent that costs incurred in the drilling or operation on the Subject Drilling Unit are a charge against such person's interest. Such liens and right of set off shall be separable as to each separate person and shall remain liens until the Unit Operator drilling or operating any well covered hereby has been paid the full amounts due under the terms of this Order.

16. Escrow Provisions:

By this Order, the Board instructs the Escrow Agent named herein or any successor named by the Board to establish an interest-bearing escrow account,

(herein "the Escrow Account") to receive and account to the Board pursuant to its agreement for the escrowed funds hereafter described:

Tazewell National Bank
P. O. Box 909
Tazewell, VA 24651
(herein "Escrow Agent")

16.1 Escrow Provisions For Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be located or is unknown, then such cash bonus, royalty payment, or other payment shall not be commingled with any funds of the Unit Operator, and pursuant to Section 45.1-361.21.D, Code of Virginia, 1950 as amended, said sums shall be deposited by the Operator into the Escrow Account, commencing within sixty (60) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of the report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of each month being reported and/or for which funds subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board in accordance with § 45.1-361.21.D., Code of Virginia, 1950 as amended.

16.2 Escrow Provisions For Conflicting Claimants: If any payment of bonus, royalty payment or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be made certain due to conflicting claims of ownership and/or a defect or cloud on the title, then such cash bonus, royalty payment or other payment, together with Participating Operator's Proportionate Costs paid to Operator pursuant to Paragraph 9.1, if any, (1) shall not be commingled with any funds of the Unit Operator; and (2) shall, pursuant to Virginia Code Sections 45.1-361.22A.2, 45.1-361.22A.3 and 45.1-361.22.4, be deposited by the Operator into the Escrow Account, commencing within sixty (60) days of the recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of each month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of, the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board.

17. Special Findings: The Board specifically and specially finds:

- 17.1 Applicant is a Delaware corporation duly authorized and qualified to transact business in the Commonwealth of Virginia;
- 17.2 Applicant and Pine Mountain Oil and Gas, Inc., the oil and gas owner of 80 percent (80%) of an undivided ownership interest in 79.163 acres (98.954%) of the Subject Drilling Unit, have agreed to jointly explore for and develop coalbed methane gas within Subject Drilling Unit and claim ownership of gas leases, coalbed methane gas leases, and/or coal leases. Applicant claims the right to explore for, develop and produce coalbed methane gas from Subject Formations in Subject Drilling Unit underlying Subject Lands.
- 17.3 Applicant is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
- 17.4 Applicant has proposed the drilling of one (1) well to a depth of 1500 feet on the Subject Drilling Unit to develop the pool of Gas in Subject formations.

- 17.5 Respondents are listed on Exhibit "B". Set forth in Exhibit "B" is the name and last known address of each person of record identified by the Applicant as having or claiming a potential interest in the Coalbed Methane Gas in Subject Drilling Unit underlying and comprised of Subject Lands who has not leased their interests to the operator and/or voluntarily agreed to pool their interests.
- 17.6 Well Work Permit No. 2349 has been issued by the Virginia Department of Mines, Minerals and Energy for the well to be located in Subject Drilling Unit.
- 17.7 The estimated total production over the life of the proposed well is 370 mmcf. The estimated amount of reserves of gas in place in Subject Drilling Unit is 800 mmcf.
- 17.8 Respondents Pine Mountain Oil and Gas, Inc. and Clinchfield Coal Company are wholly owned subsidiaries of Pittston Coal Company. Pine Mountain holds certain oil and gas interests, including coalbed methane in Subject Drilling Unit, and Clinchfield has certain coal interests in Subject Drilling Unit. These related companies have an internal agreement that all royalties payable to Pine Mountain be paid to Clinchfield Coal and authorize that the royalties due to each or either of them be paid directly to Clinchfield and not escrowed as conflicting claims.
- 17.9 Applicant's evidence established that the fair, reasonable and equitable compensation to be paid to any person in lieu of the right to participate in any well covered hereby are those options provided in Paragraph 9 above; and
- 17.10 The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford each person in the Subject Drilling Unit the opportunity to recover or receive, without unnecessary expense, each person's just and fair share of the production from Subject Drilling Unit. The granting of the Application and relief requested therein will ensure to the extent possible the greatest ultimate recovery of coalbed methane gas, prevent or assist in preventing the various types of waste prohibited by statute and protect or assist in protecting the correlative rights of all persons in the subject common sources of supply in the Subject Lands. Therefore, the Board is entering an Order granting the relief herein set forth.
18. Mailing Of Order And Filing Of Affidavit: Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of receipt of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of receipt of this Order to each person pooled by this Order whose address is known.
19. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or his Inspector(s).
20. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
21. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 30th day of December, 1993, by a majority of the Virginia Gas and Oil Board.

Benny R. Wampler
Chairman, Benny R. Wampler

DONE AND PERFORMED this 3rd day of December, 1993, by Order of this Board.

Byron Thomas Fulmer
Byron Thomas Fulmer
Principal Executive To The Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 30th day of December, 1993, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Susan G. Garrett
Susan G. Garrett
Notary Public

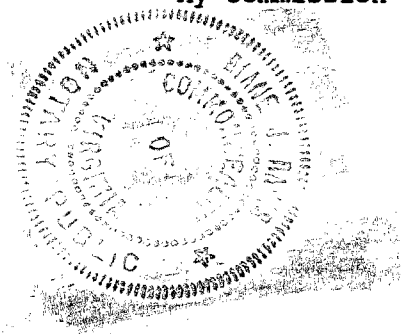
My commission expires 7/31/94

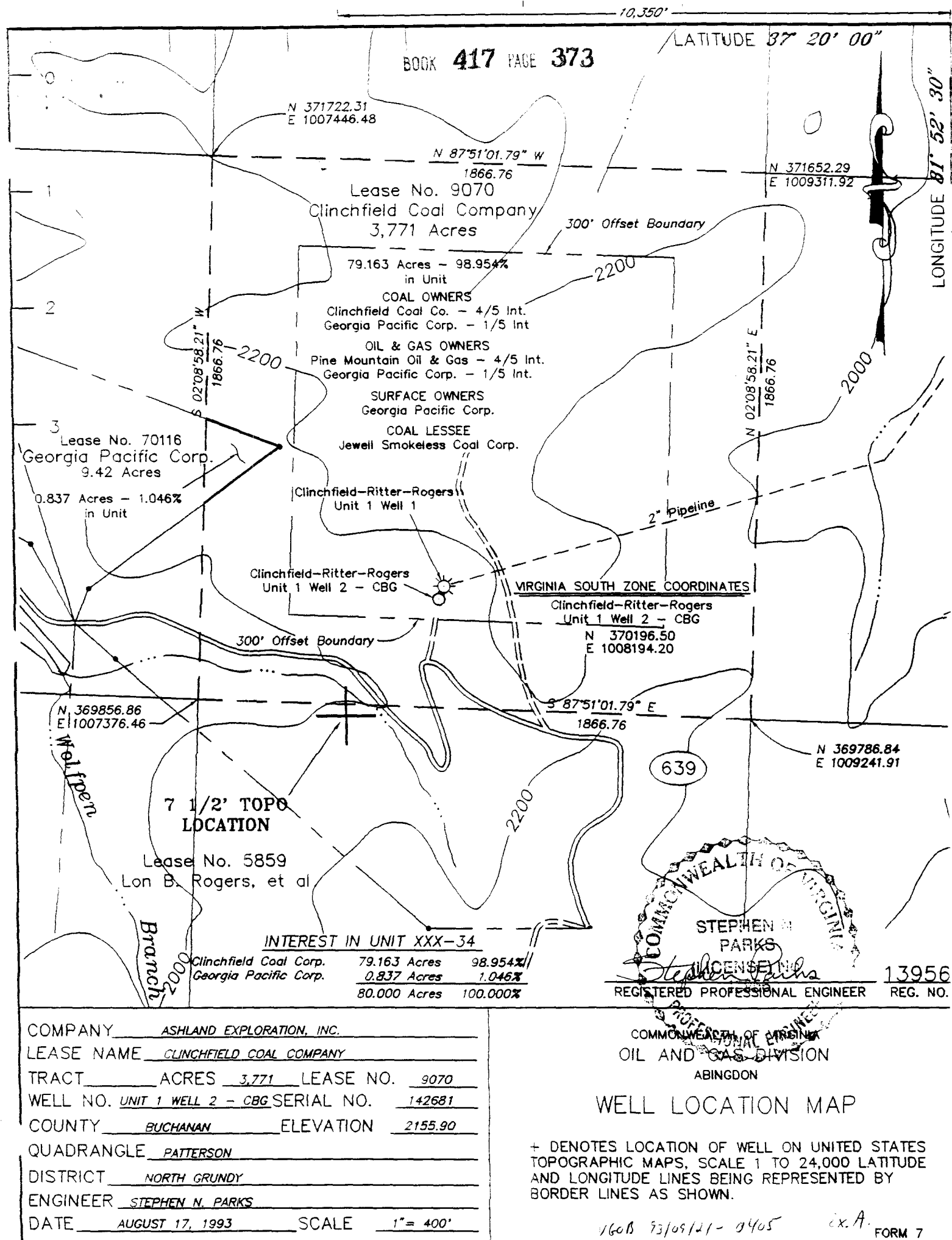
STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 30th day of December, 1993, personally before me a notary public in and for the Commonwealth of Virginia, appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Diane Davis
Diane Davis
Notary Public

My commission expires 9/30/97





VGOB-93/09/21-0405
XXX-34

EXHIBIT A-3

Ownership information regarding Unit XXX-34

Surface

Georgia Pacific

80 Acres = 100% of Unit

Coal Owners

Georgia Pacific

.837 Acres = 1.046%

Georgia Pacific

20% of 79.163 Acres = 20% of 98.954%

Clinchfield Coal Corporation

80% of 79.163 Acres = 80% of 98.954%

Oil and Gas Owners

Georgia Pacific

.837 Acres = 1.046%

Georgia Pacific

20% of 79.163 Acres = 20% of 98.954%

Clinchfield Coal Corporation

80% of 79.163 Acres = 80% of 98.954%

Coal LesseesJewell Smokeless Coal Corp.
(leases above Tiller)

79.163 Acres = 98.959%

Oil & Gas Lessees

Ashland Exploration, Inc.

80 Acres = 100%

Coalbed Methane Specific Lessees

None.

PARTIES RESPONDENT
EXHIBIT "B"
Unit No.: XXX-34RESPONDENT(S) WHO HAVE NOT LEASED OR OTHERWISE CONTRACTED WITH
APPLICANTSmall Tract of .837 Acres:

	<u>Mineral Ownership</u>	<u>Net Acreage Within Unit</u>	<u>Undivided Net Interest Within Unit</u>
1. Georgia Pacific	Coal, Oil & Gas	.837	1.046%

Large Tract of 79.163 Acres:

	<u>Mineral Ownership</u>	<u>Net Acreage Within Unit</u>	<u>Undivided Net Interest Within Unit</u>
1. Georgia Pacific*	Coal	20% of 79.163	20% of 98.954%
2. Georgia Pacific*	Oil & Gas	20% of 79.163	20% of 98.954%

* The coal on the large tract is owned 80% by Clinchfield Coal Company and 20% by Georgia Pacific. The oil and gas on the large tract is owned 80% by Pine Mountain Oil and Gas and 20% by Georgia Pacific.

*Amended ***

EXHIBIT D

Escrow Recommendation*

Well Name Clinchfield-Ritter-Rogers Unit 1, Well 2
Unit XXX-34Small Tract: Georgia Pacific - .837 Acres in Unit = 1.046% of UnitType of Interest: WorkingClaimants: Georgia Pacific - Mineral, Coal, Oil & Gas Owner (100% of tract)
Ashland Exploration - Oil & Gas Lessee (Applicant) (100% of tract)Percent of Claimed Interest in Unit: 1.046%

* * * * *

Large Tract: Clinchfield Coal - 79.163 Acres in Unit = 98.954% of UnitType of Interest: RoyaltyClaimants: Clinchfield Coal (80%) and Georgia Pacific (20%) - Coal Owner
Pine Mountain (80%) and Georgia Pacific (20%) - Oil and Gas OwnerPercent of Claimed Interest in Unit: 98.954%

* * * * *

Large Tract: Clinchfield Coal - 79.163 Acres in Unit = 98.954% of UnitType of Interest: WorkingClaimants: Ashland Exploration - Oil & Gas Lessee (100%) (Applicant)
Clinchfield Coal (80%) and Georgia Pacific (20%) - Coal Owner*
Pine Mountain (80%) and Georgia Pacific (20%) - Oil and Gas Owner*Percent of Claimed Interest in Unit: 100%

* * * * *

$$\begin{aligned} \text{Total R. I. to be escrowed} &= 98.954\% \times 20\% = 19.791\% \\ \text{Total W. I. to be escrowed} &= 1.046\% \\ &+ 20\% \text{ of } 98.954\% \\ &= \underline{\underline{20.837\%}} \end{aligned}$$
* Subject to election under relief sought less
allowed costs to be deducted.*** See Paragraph 17.8*

EXHIBIT E
UNIT XXX-34

Addresses of Interested Persons:

Georgia-Pacific Corp.
Post Office Box 105605
Atlanta, GA 30348

Clinchfield Coal Company
Post Office Box 7
Dante, VA 24237

Pine Mountain Oil and Gas, Inc.
Post Office Box 5100
Lebanon, VA 24266

VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgment annexed, admitted to record this 7th day of January, 19 94 12:38 P. M.
Deed Book No. 417 and Page No. 364 TESTE: James M. Bevins, Jr., Clerk
Returned this date to: Dept of Mineral TESTE: Deputy Clerk
Abernethy, Va. 24210

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CLERK'S OFFICE CIRCUIT COURT
BUCHANAN COUNTY, VIRGINIA
Filed and admitted to record.
this 18th day of Jan 1994
at 12:32 o'clock P.M.
Recorded Dred Book _____ Page _____
039 State Tax _____
213 County Tax _____
212 Transfer _____
301 Recording 23.00
038 State Tax _____
220 Local Tax _____
145 VSLF 190
Total 32.00
Teste James M. Bevlins, Jr., Clerk
By JB TC.

Department of Mines, Minerals and Energy
DIVISION OF GAS & OIL
POST OFFICE BOX 1416 • 230 CHARWOOD DRIVE
ABINGDON, VIRGINIA 24210